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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

September 9, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT NUMBER SIX TO COUNTY AGREEMENT NUMBER H-204378
WITH McKESSON INFORMATION SOLUTIONS LLC
FOR FISCAL MANAGEMENT SYSTEM SERVICES
(All Districts) (3 Votes)**

CIO RECOMMENDATION: APPROVE ☒ APPROVE WITH MODIFICATION [] DISAPPROVE
[]

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Director and Chief Medical Officer of Health Services or his designee, to sign, following signature by McKesson Information Solutions LLC (formerly known as McKesson Information Solutions Inc.), Amendment Number Six, substantially similar to Exhibit I, to County Agreement Number H-204378 with McKesson Information Solutions LLC (McKesson), to extend the term of the Agreement from July 1, 2005 through June 30, 2008, and increase the Contract Sum from \$37,700,778 to \$45,183,967, an increase of \$7,483,189, 100% net County cost, to continue the Fiscal Management System Services operations at Harbor/UCLA Medical Center (H/UCLA), High Desert Health System (HDHS), LAC+USC Medical Center (LAC+USC), Martin Luther King, Jr./Drew Medical Center (MLK/D), including Augustus F. Hawkins Mental Health Center (AFH), Olive View/UCLA Medical Center (OV/UCLA), Rancho Los Amigos National Rehabilitation Center (RLANRC), Treasurer Tax Collector (TTC), Consolidated Business Office (CBO), and Health Services Administration (HSA).

PURPOSE OF RECOMMENDED ACTION:

In approving this recommended action, the Board is authorizing the Director and Chief Medical Officer, or his designee, to sign this Amendment Number Six, to:

- extend the term of the Agreement from July 1, 2005 through June 30, 2008;
- increase the Contract Sum from \$37,700,778 to \$45,183,967, an increase of \$7,483,189, 100% net County cost;

- continue a County option or provision to terminate the Agreement for convenience;
- include 2,700 additional hours of programming and professional services;
- update various service rates set forth in Exhibit B of the amendment;
- add and revise certain other provisions of the Agreement; and
- acknowledge the corporate name change of McKesson, effective April 1, 2003.

McKesson has represented, and continues to represent, to the County that such corporate name change is not intended to have, and will not have, any financial impact or service delivery impact whatsoever for the County under the Agreement and that, effective April 1, 2003, McKesson will be, and will fully perform all the obligations, responsibilities and liabilities of, "Contractor" under the Agreement.

JUSTIFICATION:

Through prior agreements and the existing Agreement, the Fiscal Management System (FMS) has been operational in the Department of Health Services (DHS) since 1974. It is comprised of mission critical core financial applications, such as Express Accounts Receivable (Express V), Express Accounts Payable (Express V), Fixed Assets, Express General Ledger (Express V), and Statistical Data Base. These mission critical core financial applications facilitate the management of fiscal operations hospital-wide. The current FMS scope includes H/UCLA, HDHS, LAC+USC, MLK/D, including AFH, OV/UCLA, RLANRC, TTC, CBO, and HSA. Approval of this amendment will continue, without interruption, the FMS and related services within DHS for the extended term of the current Agreement.

FISCAL IMPACT:

Amendment Number Six increases the County's maximum obligation under the Agreement by \$7,483,189. This amount includes the following: (1) on-going Processing Services Monthly Fixed Fee in the amount of \$5,558,832, and (2) pass-through costs (e.g., forms, postage, etc.) and other services (e.g., hardware maintenance, site communication support, programming and professional services, installation assistance, estimated out-of-pocket expenses, etc.) in the amount of \$1,924,357.

The current Contract Sum is \$37,700,778, an increase of \$7,483,189, 100% net County cost. The increased contract expenditure under this Amendment Number Six is \$7,483,189 for FY 2005-06 through FY 2007-08 at \$2,494,396 per year. The Agreement's aggregate Contract Sum is \$45,183,967. Funds are included in the FY 2004-2005 Adopted Budget and will be requested by DHS as a continuing appropriation in future fiscal year budget requests.

MIGRATION

Amendment Number Six allows for migration planning and development of new interfaces (e.g., Electronic County-wide Accounting and Purchasing System [eCAPS], Affinity [QuadraMed], etc.) that DHS must address within the next four years. The current FMS is reliable technology, but McKesson Information Solutions LLC has indicated that it will stop supporting this product line by the end of the term of the Agreement as extended under this Amendment. Therefore, DHS will have to migrate to different systems.

Amendment Number Six revises the Termination for Convenience paragraph to allow the County the option to terminate the Express Accounts Payable and Express General Ledger applications upon three months notice and receive an ongoing reduction in the Processing Services Monthly Fixed Fee. The migration of the Express Accounts Payable and Express General Ledger functions to eCAPS has begun. The current target implementation date is July 1, 2005.

The Express Accounts Receivable application will migrate to Affinity Patient Accounting (QuadraMed) or other suitable patient accounting module during the extended term of this Agreement. This strategic direction is consistent with the County trend toward integration of systems and services, allows DHS to control the timing of migrating to different systems and moves DHS to newer and technically more flexible technology.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Effective April 1, 2003, McKesson Information Solutions Inc. changed its corporate name to McKesson Information Solutions LLC.

The County and Contractor desire to amend the Agreement to extend the term of the Agreement; to increase the Contract Sum; to increase rates for processing services, programming and professional services, and other services, effective July 1, 2005; to increase programming and professional service hours; and to add and revise other provisions to the Agreement.

CONTRACT LANGUAGE:

Amendment Number Six includes all required County language with the following minor exceptions: the Jury Service paragraph will apply only to the Contractor employees "who are domiciled in California", and the Recycled-Content Bond Paper and the Safely Surrendered Baby paragraphs will apply to Contractor "employees who are providing services under this Agreement on-site at County's location".

Risk Management has reviewed and approved the indemnification and insurance provisions of the Amendment and has made one exception, which Risk Management has left DHS to resolve. The exception relates to County's new Intellectual Property insurance provision. In consideration of McKesson's long standing relationship with the County, and the number of years these software products have been in use under the Agreement without a claim for infringement against them under the Agreement, DHS decided to omit this new Intellectual Property insurance provision.

Sidley, Austin, Brown & Wood, LLP, outside counsel, has reviewed Amendment Number Six (Exhibit I) and recommends Board approval. The Amendment has also been reviewed and approved as to form by County Counsel.

CONTRACTING PROCESS

DHS did not advertise this Amendment Number Six on the Office of Small Business Countywide Web Site as a contracting opportunity because it is for the continued provision of technical services for which the current contractor is uniquely qualified to perform. To select a new contractor at this time would be extremely costly to the County.

During the current Agreement term, an opportunity to modify the communication protocol was identified and was implemented by McKesson Information Solutions LLC and DHS between March 20, 2002 and October 1, 2002. This modification made the communication protocol with McKesson Information Solutions LLC more secure and consistent with the protocol used throughout DHS and has saved approximately \$115,964 in maintenance costs through June 30, 2004. This savings is the result of eliminating the communication lines and equipment at each hospital and High Desert Health System, and installing one communication line between the County Enterprise Network and the McKesson Processing Center.

A Change Notice (No. 2) was processed pursuant to the terms of the Agreement to expand the list of optional communication configurations needed to achieve the above total savings. This Amendment Number Six retroactively amends the Agreement (1) to reflect the changes in the communication configurations made in 2002 to support the new communication protocol and (2) to decrease the maintenance fee related to the new communication protocol, effective March 20, 2002. The specific

maintenance costs being eliminated and/or added are listed in the revised Agreement exhibits and schedules.

The approximate maintenance cost savings for the communication protocol change since October 1, 2002 through June 30, 2004 has been \$115,964 and will continue in the amount of \$66,265 annually through the Agreement term.

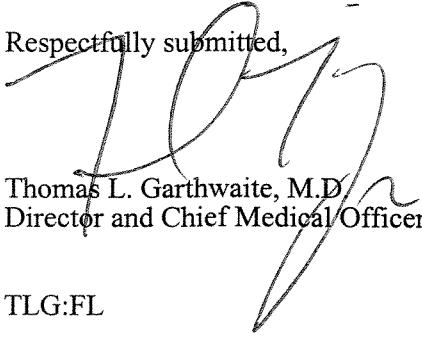
IMPACT ON CURRENT SERVICES (OR PROJECTS):

Continues uninterrupted the FMS services at the five hospitals, High Desert Health System, TTC, CBO, and HSA for an extended term of three years, and provides the option to expand FMS to remote satellite clinics.

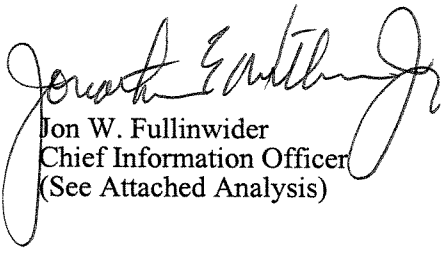
This project is included in the DHS Information Technology Direction that was presented to the Board on May 22, 1999.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,


Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

Reviewed by:


Jon W. Fullinwider
Chief Information Officer
(See Attached Analysis)

TLG:FL

Attachment

c: Chief Administrative Officer
Chief Information Office, Los Angeles County
County Counsel
Executive Officer, Board of Supervisors
Director of Internal Services Department
Auditor-Controller

SUMMARY OF AMENDMENT

1. **TYPE OF SERVICE:**

The Fiscal Management System (FMS) Services Agreement (County Agreement Number H-204378) with McKesson Information Solutions LLC provides FMS services to Harbor/UCLA Medical Center (H/UCLA), High Desert Health System (HDHS), LAC+USC Medical Center (LAC+USC), Martin Luther King, Jr./Drew Medical Center (MLK/D), including Augustus F. Hawkins Mental Health Center (AFH), Olive View/UCLA Medical Center (OV/UCLA), Rancho Los Amigos National Rehabilitation Center (RLANRC), Treasurer Tax Collector (TTC), Consolidated Business Office (CBO), and Health Services Administration (HSA). The FMS currently consist of the following core modules: Accounts Receivable, Accounts Payable, General Ledger, Fixed Assets, and Statistical Data Base.

2. **AGENCY ADDRESS AND CONTACT PERSON:**0

McKesson Information Solutions LLC
5995 Windward Parkway
Alpharetta, GA 30005
Attention: Peter Markavage, Enterprise Vice President
Telephone: (925) 631-9524

3. **TERM:**

This proposed Amendment Number Six extends the current FMS Services Agreement term by 36 months, commencing on July 1, 2005 through June 30, 2008.

4. **FINANCIAL INFORMATION:**

The current Contract Sum of the Agreement is \$37,700,778, an increase of \$7,483,189, 100% net County cost. The maximum expenditure under this Amendment Number Six is \$7,483,189. The aggregate Contract Sum of the Agreement is \$45,183,967. The cost for FY 2004-05 is included in the proposed DHS Fiscal Year (FY) 2004-2005 Budget and will be requested as a continuing appropriation in future FY budget requests. The three-year Contract Sum allocation of Amendment Number Six is:

<u>FY 2005-2006</u>	<u>FY 2006-2007</u>	<u>FY 2007-2008</u>	<u>TOTAL</u>
\$2,494,396	\$2,494,396	\$2,494,397	\$7,483,189

5. **FACILITIES AND SITES TO BE SERVED:**

H/UCLA MC, HDHS, LAC+USC, MLK/D, OV/UCLA, RLANRC, TTC, CBO and HSA.

6. **PERFORMANCE INFORMATION:**

On going monitoring of the agreements indicate compliance with contract requirements.

7. **REASON FOR RENEWAL/AMENDMENT:**

The Department of Health Services requires the ongoing assistance of McKesson Information Solutions LLC with its core financial applications.

8. **ACCOUNTABLE FOR MONITORING:**

Lawrence Gatton, Project Director

9. APPROVALS:

Contracts Administration:

Irene E. Riley, Director

Medical Director, Clinical Resource Management:

Dr. Jeffrey Guterman

Chief of Revenue Services

Lawrence Gatton

County Counsel (approval as to form):

James Kashian, Esq., Principal Deputy

County Chief Information Officer

Jon W. Fullinwider

CAO Budget Analyst

George Parker

Office of Finance:

Gary W. Wells, Director

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES AMENDMENT NO. 6 WITH MCKESSON INFORMATION SOLUTIONS LLC

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract

New/Revised Contract Term: Base Term: 3 Yrs # of Option Yrs 0

Contract Components:

☒ Software ☒ Hardware ☒ Telecommunications
☒ Professional Services

Project Executive Sponsor: Gary Wells, Finance Director, Department Health Services

Budget Information :

Y-T-D Contract Expenditures	\$ 37,700,778
Requested Contract Amount	\$ 7,483,189
Aggregate Contract Amount	\$ 45,183,967

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset? 100%

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?

Project/Contract Description:

The Department of Health Services (DHS) is requesting Board approval and delegated authority for the Director of Health Services, or his designee, to sign an amendment to an Agreement with McKesson Information Solutions LLC (McKesson) to provide fiscal management system services which include - Accounts Receivable (AR), Accounts Payable (AP), Fixed Assets (FA), General Ledger (GL), and Statistical Database. The proposed Amendment No. 6 will increase the maximum obligation for the Agreement from \$37,700,778 to \$45,183,967, an increase of \$7,483,189, and extend the term of the Agreement through June 30, 2008.

Services under this Amendment include:

- Continuing maintenance and support services for DHS' core financial system, including AR, AP, FA, GL and Statistical Database; and
- Providing additional 2,400 programming and professional service hours for system enhancements and to support system migration plans and interfaces.

In addition, this Amendment updates service rates, adds and revises contract provisions, and acknowledges the corporate name change of McKesson Information Solutions LLC, formerly known as McKesson Information Solutions, Inc.

Background:

DHS has outsourced operation and maintenance of its Fiscal Management System (FMS) since 1974. The FMS is the core financial system for DHS, which facilitates management of fiscal hospital-wide operations and supports the timely collection of third-party and patient payments.

This Agreement was approved with First Health Data Systems Corporation (FDHSC) by your Board on March 7, 1995. Subsequently, five amendments to this agreement have been executed acknowledging corporate mergers and acquisitions by HBOC, and subsequently McKesson Corporation. Amendment No. 4 to the Agreement approved by your Board on June 20, 2000, extended the term through July 30, 2005 and established the current maximum County obligation of \$37,700,778.

Project Justification/Benefits:

Approval of this Amendment will continue, without interruption, the FMS and related services within DHS for the extended term of this Agreement. In addition, services under this Amendment will support the migration from FMS to newer systems with more modern technology that will be vendor supported. McKesson Information Solutions LLC has indicated that they will be ceasing support of the Express product line, which FMS is based on, by the end of this proposed Agreement extension.

DHS has begun planning to migrate the system's AP and GL functions to the County's Countywide Accounting and Purchasing System replacement (eCAPS) application, which is scheduled for implementation on July 1, 2005. The Department plans to migrate the remaining FAS AR functions to QuadraMed's Affinity Patient Accounting or other patient accounting module during the extended term of the Agreement.

Project Metrics

The FAS has been successfully implemented and is largely in maintenance mode. Success is being measured by the successful maintenance and operation of the FAS.

Impact If Proposal Is Not Approved

If the Amendment is not approved, FMS services would be terminated after July 30, 2005, at the Department's five hospitals, High Desert Health System, Consolidated Business Office, Health Service Administration and the County's Treasurer and Tax Collector. This would seriously impair DHS' fiscal operations and timely collection of third-party and patient payments. Also, it would constrain the Department's ability to successfully migrate from FMS to newer systems with more modern technology that will be vendor supported.

Alternatives Considered:

No alternative was considered. The contractor is uniquely qualified to perform the technical services that are required to support FMS.

Project Risks:

The primary risk identified in the Amendment deals with contractor indemnification. DHS has conceded to allow the Contractor to self-insure for general liability coverage and to omit recommended County intellectual property indemnification language.

Risk Mitigation Measures:

DHS considers the risks as acceptable given the company's financial assets and considering the basic applications have been in use since 1974, with no intellectual property or indemnification issues and their long-standing relationship with the County.

Financial Analysis:

This Amendment, if authorized by your Board, will increase the contract sum by \$7,483,189 to a total of \$45,183,967. The Department indicates they have available appropriation to pay the annual cost of this Amendment.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this Amendment.

CIO APPROVAL

Date Received: 09/01/2004

Prepared by: Greg Melendez

Date: 09/09/2004

Approved: James Smith

Date: 09/09/2004

**AMENDMENT NUMBER SIX TO
LOS ANGELES COUNTY
AGREEMENT NUMBER H204378**

This Amendment Number Six to that certain COUNTY Agreement Number H204378, entitled "Agreement By and Between County of Los Angeles and First Data Health Systems Corporation for Fiscal Management System Services", including Amendment Number One, dated March 4, 1997, Amendment Number Two, dated March 28, 2000, Amendment Number Three, dated June 20, 2000, Amendment Number Four, dated January 15, 2002, and Amendment Number Five, dated April 21, 2004 (hereafter collectively "Agreement"), is entered into this _____ day of _____, 2004, by and between the County of Los Angeles (hereafter "COUNTY"), and McKesson Information Solutions LLC (formerly known as McKesson Information Solutions Inc.), a Delaware Limited Liability Company (hereafter "CONTRACTOR").

WHEREAS, effective April 1, 2003, McKesson Information Solutions Inc. changed its name to McKesson Information Solutions LLC; and

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement to extend the term of the Agreement; to increase the Contract Sum; to increase rates for processing services and programming and professional services; to increase programming and professional services hours; and to add certain other provisions to the Agreement.

NOW, THEREFORE, pursuant to Paragraph 7 (Change Notices and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby agree as follows:

1. Effective April 1, 2003, McKesson Information Solutions LLC agrees and represents that such corporate name change is not intended to, and will not have, any financial impact or services delivery impact for COUNTY under the Agreement.
2. All references in the Agreement to "CONTRACTOR", "First Data Health Systems Corporation", "HBO & Company of Georgia", "HBO & Company", and "McKesson Information Solutions Inc." shall be deemed amended to refer to McKesson Information Solutions LLC which shall be "CONTRACTOR" under the Agreement.
3. Subparagraph 1.3.8 (Facility; Facilities) of the body of the Agreement is amended to read:

"1.3.8 Facility; Facilities:

As used herein, the term "Facility" shall mean any one, and the term "Facilities" shall mean any two or more, of the following, including any remote satellite clinics of each of the following, whether such clinics are operated by COUNTY or by COUNTY contractors: Martin Luther King Jr./Drew Medical Center ("MLK/DMC"), including Augustus F. Hawkins Mental Health Center ("AFH"); LAC+USC Medical Center ("LAC+USC MC"); Harbor/UCLA Medical Center ("H/UCLA MC"); Olive View/UCLA Medical Center ("OV/UCLA MC"); Rancho Los Amigos National Rehabilitation Center (formerly known as Rancho Los Amigos Medical Center) ("RLAMC"); and High Desert Health System (formerly known as High Desert Hospital) ("HDH")."

4. Subparagraph 3.1.1 of the body of the Agreement is amended to read:

“3.1.1 CONTRACTOR’s Project Manager shall be the following person, or his/her designee or replacement (subject to Subparagraph 3.2.1 below), who shall be a full-time employee of CONTRACTOR:

Michael Rich
McKesson Project Manager
McKesson Information Solutions LLC
10735 David Taylor Drive, Suite 100
Charlotte, NC 28262
Telephone: (704) 549-6710
Facsimile: (704) 549-7523”

5. Subparagraph 8.1 (Term) of the body of the Agreement is amended to read:

“8.1 Term:

The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect through June 30, 2008, unless sooner terminated, in whole or in part, as provided in this Agreement.”

6. Subparagraph 10.1 (Contract Sum) of the body of the Agreement is amended to read:

“10.1 The Contract Sum under this Agreement shall be the maximum monetary amount payable by COUNTY to CONTRACTOR for supplying all the tasks, deliverables, goods, services, and other work specified under this Agreement. The Contract Sum for the term of this Agreement, including all applicable taxes, authorized by COUNTY hereunder shall not exceed Forty-Five Million One Hundred Eighty-Three Thousand Nine Hundred and Sixty-Seven Dollars (\$45,183,967).”

7. Subparagraph 16.2 (Insurance) of the body of the Agreement is amended to read:

“16.2 Insurance:

Without limiting CONTRACTOR’s indemnification of COUNTY and during the term of this Agreement, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be provided and maintained at CONTRACTOR’s own expense.

- A. Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to Department of Health Services, Contracts and Grants Division Chief, 313 North Figueroa Street,

Sixth Floor-East, Los Angeles, California 90012 prior to commencing services under this Agreement. Such certificates or other evidence shall:

- (1) Specifically identify this Agreement.
 - (2) Clearly evidence all coverages required in this Agreement.
 - (3) Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
 - (4) Include copies of the additional insured endorsement to the commercial general liability policy, adding the COUNTY of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.
 - (5) Identify any deductibles or self-insured retentions for COUNTY's approval. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- B. Insurer Financial Ratings: Insurance is to be provided by an insurance company with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY. CONTRACTOR shall be allowed to self insure its commercial general liability coverage through the use of its captive insurer.
- C. Failure to Maintain Coverage: Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.
- D. Notification of Incidents, Claims or Suits: CONTRACTOR shall report to COUNTY:
- (1) any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR

- and/or COUNTY. Such report shall be made in writing within 72 hours of occurrence.
- (2) any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.
 - (3) any injury to a CONTRACTOR employee which occurs on COUNTY property. This report shall be submitted on a COUNTY "Nonemployee Injury Report" to the COUNTY contract manager.
 - (4) any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.
- E. Compensation for COUNTY Costs: In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all such costs incurred by COUNTY.
- F. Insurance Coverage Requirements for Subcontractors: CONTRACTOR shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:
- (1) CONTRACTOR providing evidence of insurance covering the activities of sub-contractors, or
 - (2) CONTRACTOR providing evidence submitted by sub-contractors evidencing that subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

16.2.1. Insurance Coverage Requirements:

- A. General Liability insurance with limits of not less than the following:
- | | | |
|--|-----|---------|
| General Aggregate: | \$2 | million |
| Products/Completed Operations Aggregate: | \$1 | million |
| Personal and Advertising Injury: | \$1 | million |
| Each Occurrence: | \$1 | million |
- B. Automobile Liability insurance with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".
- C. Workers Compensation and Employers' Liability insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as

required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law with which CONTRACTOR is responsible for compliance.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1	million
Disease - policy limit:	\$1	million
Disease - each employee:	\$1	million

- D. Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the CONTRACTOR, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement."

8. Paragraph 44 (Notices) of the body of the Agreement is amended to read:

"44. NOTICES:

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (1) by hand with signed receipt, (2) by first-class registered or certified mail, postage prepaid, or (3) by national overnight courier service (e.g., FedEx or DHL). Notices shall be deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, or two (2) business days after deposit with the national overnight courier service. Addresses may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

The Director shall have the authority to issue all notices or demands which are required or permitted by COUNTY under this Agreement.

If to COUNTY:

(1) Department of Health Services
313 North Figueroa Street, Room 903
Los Angeles, California 90012-2602
Attn: Fred Leaf,
Chief Operating Officer
Fax: (213) 481-1026
E-mail: fleaf@dhs.co.la.ca.us

(2) Department of Health Services
Revenue Services
313 North Figueroa Street, Room 527
Los Angeles, California 90012-2602
Attn: Lawrence Gatton,

Chief, Revenue Services
Fax: (213) 482-9179
E-mail: lgatton@dhs.co.la.ca.us

(3) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, 6th Floor-East
Los Angeles, California 90012-2602
Attn: Director, Contracts Administration
Fax: (213) 250-2958
E-mail: iriley@dhs.co.la.ca.us

(4) Department of Health Services
Information Systems Branch
313 North Figueroa Street, Room 317
Los Angeles, California 90012-2602
Attn: OCIO
Chief Information Officer
Fax: (213) 240-7809
E-mail: ocio@dhs.co.la.ca.us

If to CONTRACTOR:

- (1) McKesson Information Solutions LLC
5995 Windward Parkway
Alpharetta, Georgia 30005-9958
Attn: General Counsel
- (2) McKesson Information Solutions LLC
5995 Windward Parkway
Alpharetta, Georgia 30005-9958
Attn: Area Vice President, National Accounts
- (3) McKesson Information Solutions LLC
5995 Windward Parkway
Alpharetta, Georgia 30005-9958
Attn: Enterprise Vice President, National Accounts, with
Responsibility for County Account"

9. Paragraph 47 (Sole Provider) of the body of the Agreement is deleted in its entirety and the following is substituted in lieu thereof:

"47. Programming and Professional Services Hours:

CONTRACTOR shall provide to COUNTY, at no cost to COUNTY, seven thousand eight hundred forty (7,840) hours of programming and professional services for enhancements, modifications, and/or developments (including, without limitation, requests for non-routine data extracts, report revisions, special tape productions, program modifications, interfaces, migration planning and

assistance, etc.) related to any services (including, without limitation, Processing Center Application Software installation and training), software and hardware provided under this Agreement, as requested in writing by COUNTY pursuant to Section 3.6 (Programming and Professional Services) of Exhibit A (Statement of Work). Each use of any such hours will be requested and approved in writing by COUNTY's Project Director, and will be scheduled at least thirty (30) days in advance. Any additional hours of programming and professional services requested, and approved in writing, by COUNTY's Project Director will be billable to COUNTY as set forth in Section 11 (Programming and Professional Services) of Exhibit B (Schedule of Payments). CONTRACTOR shall not apply any of such programming and professional services hours to any programming and professional services which may be required for CONTRACTOR to modify the System, pursuant to Paragraph 22 (Compliance with Applicable Law), for compliance with any Federal or State law, rule, regulation, judicial decision, guideline, directive, rulemaking or other requirement applicable to COUNTY's provision of health services, including, but not limited to: (i) the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and (ii) the Federal Medicare Ambulatory Payment Classification ("APC") system. The preceding sentence shall only apply to the Host 2000 System and any services provided for such Host 2000 System hereunder."

10. Subparagraph 49.1 (Termination of E/GL/E/AP) of the body of the Agreement is amended to read:

"49.1 Termination of E/GL/E/AP

COUNTY may terminate its production use of the Express General Ledger (Express V) module of the Processing Center Application Software and the Express Accounts Payable (Express V) module of the Processing Center Application Software (such modules referred to jointly as "E/GL/E/AP") at any time when such action is deemed by COUNTY to be in its best interest. Such termination shall be effected by delivery to CONTRACTOR of a notice of termination specifying the date upon which such termination becomes effective. If COUNTY terminates production use of E/GL/E/AP, the Processing Services Monthly Fixed Fee set forth in Exhibit B (Schedule of Payments) shall be reduced by Five Thousand Nine Hundred Sixteen Dollars and Sixty-Seven Cents (\$5,916.67), provided that such reduction shall not become effective until the later of: (i) the start of the twenty-fifth (25th) month after the effective date of Amendment Number Three; or (ii) three (3) months after COUNTY gives CONTRACTOR written notice of such termination. Such reduction shall not be retroactive to any month before the month in which the reduction becomes effective."

11. Paragraph 63 (Contractor Responsibility and Debarment) of the body of the Agreement is amended to read:

"63. CONTRACTOR RESPONSIBILITY AND DEBARMENT:

63.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is COUNTY policy to conduct business only with responsible contractors.

63.2 Chapter 2.202 of the County Code

CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if COUNTY acquires information concerning the performance of CONTRACTOR on this or other contracts which indicates that CONTRACTOR is not responsible, COUNTY may, in addition to other remedies provided in the contract, debar CONTRACTOR from bidding on any COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing contracts CONTRACTOR may have with COUNTY. A copy of the Chapter 2.202 of the County Code is available on the Internet as Ordlink.com/codes/lacounty for printing purposes.

63.3 Non-responsible Contractor

COUNTY may debar a contractor if the Board of Supervisors finds, in its discretion, that contractor has done any of the following: (1) violated a term of a contract with COUNTY or a nonprofit corporation created by COUNTY, (2) committed an act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with COUNTY, any other public entity, or a nonprofit corporation created by COUNTY, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against COUNTY or any other public entity.

63.4 Contractor Hearing Board

If there is evidence that CONTRACTOR may be subject to debarment, DHS will notify CONTRACTOR in writing of the evidence which is the basis for the proposed debarment and will advise CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONTRACTOR and/or CONTRACTOR representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. CONTRACTOR and DHS shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

63.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of COUNTY contractors."

12. Paragraph 64 (Compliance With Jury Service Program) is added to the body of the Agreement to read:

"64. COMPLIANCE WITH JURY SERVICE PROGRAM:

- A. Jury Service Program: This Agreement is subject to the provisions of the COUNTY's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code. A copy of the Jury Service Program is available on the Internet at ordlink.com/codes/lacounty for printing purposes.
- B. Written Employee Jury Service Policy:
- (1) Unless CONTRACTOR has demonstrated to COUNTY's satisfaction either that CONTRACTOR is not a "CONTRACTOR" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), CONTRACTOR shall have and adhere to a written policy that provides that its employees who are
- domiciled in California shall receive from CONTRACTOR, on an annual basis, no less than five (5) days of regular pay for actual jury service served. CONTRACTOR's policy may further provide that employees deposit any fees received for such jury service with CONTRACTOR or that CONTRACTOR deduct from the employee's regular pay the fees received for jury service.
 - (2) For the purposes of this Paragraph 64, and as set forth in the Jury Service Program provision of the County Code as described hereinabove: "CONTRACTOR" shall mean a person, partnership, corporation, or other entity, that has a subcontract with a COUNTY contractor, and has received, or will receive, an aggregate sum of Fifty Thousand Dollars (\$50,000) or more in any twelve (12) month period under one (1) or more COUNTY contracts or subcontracts; "employee" shall mean any California resident who is a full-time employee of CONTRACTOR; and "full-time" shall mean forty (40) hours or more worked per week, or a lesser number of hours, if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time.

Full-time employees providing short-term temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for COUNTY under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 64. The provisions of this Paragraph 64 shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

- (3) If CONTRACTOR is not required to comply with the Jury Service Program on the effective date of this Agreement, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "CONTRACTOR," or if CONTRACTOR no longer qualifies for an exception to the Jury Service Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the Jury Service Program. COUNTY may also require, at any time during this Agreement term, and at its sole discretion, that CONTRACTOR demonstrate to COUNTY's satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "CONTRACTOR" and/or that CONTRACTOR continues to qualify for an exception to the Jury Service Program.
- (4) CONTRACTOR's violation of this Paragraph 64 may constitute a material breach of this Agreement. In the event of such breach, COUNTY may, in its sole discretion, terminate this Agreement and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach."

13. Paragraph 65 (Recycled-Content Bond Paper) is added to the body of the Agreement to read:

"65. RECYCLED-CONTENT BOND PAPER:

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, CONTRACTOR agrees that its employees who are providing services under this Agreement onsite at COUNTY's location shall use recycled-content paper to the maximum extent possible in connection with the services to be performed by CONTRACTOR under this Agreement."

14. Paragraph 66 (Notice to Employees Regarding The Safely Surrendered Baby Law) is added to the body of the Agreement to read:

"66. NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW:

CONTRACTOR shall notify and provide to its employees who are providing services under this Agreement onsite at COUNTY's location, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at www.babysafela.org for printing purposes."

15. Paragraph 67 (Contractor's Acknowledgment of County's Commitment to The Safely Surrendered Baby Law) is added to the body of the Agreement to read:

"67. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW:

CONTRACTOR acknowledges that COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. CONTRACTOR understands that it is COUNTY's policy to encourage all COUNTY contractors to voluntarily post COUNTY's "Safely Surrendered Baby Law" poster in a prominent position at the contractor's place of business. CONTRACTOR will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. COUNTY's Department of Children and Family Services will supply CONTRACTOR with the poster to be used."

16. Paragraph 68 (Contractor to Notify County When It Has Reached 75% of Total Contract Sum (Under Contract Sum Provision)) is added to the body of the Agreement to read:

"68. CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF TOTAL CONTRACT SUM (UNDER CONTRACT SUM PROVISION):

CONTRACTOR shall maintain a system of record keeping that will allow CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the Contract Sum. Upon occurrence of this event, CONTRACTOR shall send written notification to Department of Health Services, attention Lawrence Gatton, 313 North Figueroa Street, Room 527, Los Angeles, California 90012-2602."

17. Paragraph 69 (No Payment for Services Provided Following Expiration/Termination of Agreement) is added to the body of the Agreement to read:

"69. NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT:

CONTRACTOR shall have no claim against COUNTY under this Agreement for payment of any money or reimbursement, of any kind whatsoever, for any services provided by CONTRACTOR after the expiration or other termination of this Agreement. Should CONTRACTOR receive any such payment, it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Agreement shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Agreement."

18. Exhibit A (Statement of Work) is amended by replacing pages A-13, A-14, A-24, A-24.1, A-44 and A-45 with correspondingly numbered pages, which are attached hereto as Attachment 1 and incorporated herein by reference. These replacement pages are each designated at the bottom as "Revised Under Amendment Six of Agreement."
19. Schedule 1 (Site Operating System Software) of Exhibit A (Statement of Work) is amended by replacing page A1-2 with a correspondingly numbered page, which is attached hereto as Attachment 2 and incorporated herein by reference. This replacement page is designated at the bottom as "Revised Under Amendment Number Six of Agreement."
20. Schedule 4 (Site Hardware) of Exhibit A (Statement of Work) is deleted in its entirety and replaced with revised Schedule 4 (Site Hardware) of Exhibit A (Statement of Work), which is attached hereto as Attachment 3 and incorporated herein by reference. The pages of revised

Schedule 4 (Site Hardware) of Exhibit A (Statement of Work) are each designated at the bottom as "Revised Under Amendment Number Six of Agreement."

21. Effective March 20, 2002, Exhibit B (Schedule of Payments) is deleted in its entirety and replaced by revised Exhibit B (Schedule of Payments), which is attached hereto as Attachment 4 and incorporated herein by reference. The pages of revised Exhibit B (Schedule of Payments) are each designated at the bottom as "Revised Under Amendment Number Six of Agreement."
22. Except as otherwise expressly provided in this Amendment Number Six, this Amendment Number Six shall be effective on the date of approval by COUNTY's Board of Supervisors.
23. Except as provided in this Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

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AMENDMENT NUMBER SIX TO
LOS ANGELES COUNTY
AGREEMENT NUMBER H204378

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by COUNTY's Director of Health Services, and McKesson Information Solutions LLC has caused this Amendment to be subscribed on its behalf by its duly authorized officer, the day, month, and year first above written.

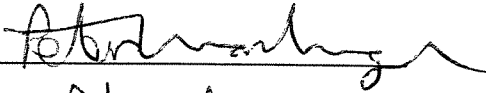
COUNTY

CONTRACTOR


COUNTY OF LOS ANGELES

MCKESSON INFORMATION SOLUTIONS LLC

By _____
Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

By 
Name Peter Markavage
Title Enterprise Vice President
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
Raymond G. Fortner, Chief Deputy
County Counsel

By 
James Kashian
Principal Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION
Department of Health Services

By _____
Director, Contracts Administration

AMENDMENT NUMBER SIX TO
COUNTY AGREEMENT NUMBER H204378

ATTACHMENT 1

Exhibit A (Statement of Work).
(Replacement Pages A-13, A-14, A-24, A-24.1, A-44 and A-45
under Amendment Number Six of Agreement)

The report will include, at a minimum, summary reports in a format mutually agreed upon by the parties with detailed information pertaining to the following areas: system availability, transaction performance, problem management, and scheduled system changes.

A brief description of the key reports which comprise the monthly performance report are presented below.

3.1.3.1 System Availability Report:

The System Availability Report summarizes Actual System Availability on a monthly basis. Information on software, hardware and network problems that have had an impact on the Actual System Availability are determined from the system logs and System Monitoring Facility records.

Planned changes and their associated outages are also noted.

3.2 Client Service Representatives:

Included in the Processing Services Monthly Fixed Fee, for the first (1st) month through sixtieth (60th) month after the effective date of Amendment Number Three, CONTRACTOR will provide three (3) dedicated on-site full-time Client Service Representatives ("CSRs") to provide support and maintenance service as described below and, as needed, to coordinate support services provided by other CONTRACTOR resources. One of the three (3) CSRs will be a dedicated communications/network specialist familiar with COUNTY's network architecture.

Included in Processing Services Monthly Fixed Fee, for the sixty-first (61st) month through ninety-sixth (96th) month after the effective date of Amendment Number Three, CONTRACTOR will provide the equivalent of three (3) Full Time Equivalent (FTE) CSRs to provide support and maintenance service as described below and, as needed, to coordinate support services provided by other CONTRACTOR resources. These CSRs will include two (2) dedicated on-site (full-time) support persons to provide support and maintenance service as needed. One of such two (2) full-time support persons will be responsible for support of the System Software and the other will be a dedicated communications/network specialist familiar with COUNTY's network architecture. Finally, one (1) dedicated (half-time) support person and one (1) dedicated (half-time) analyst/programmer person, both based in CONTRACTOR's Charlotte Product Group, will be provided by CONTRACTOR as part of these three (3) FTE CSRs.

3.3 End User Support:

CONTRACTOR will provide technical support for COUNTY personnel using the System, which support will include: (i) advising users in the proper use of the System; (ii) answering any questions which arise in the course of operation of the System; (iii) diagnosing and resolving problems encountered during the use of the System; (iv) advising users of any changes or upgrades to the System functionality; and (v) recording and tracking recurring problems (including, but not limited to, operator errors) and notifying users so that users may avoid these problems.

CONTRACTOR will provide these services chiefly through two (2) resources: (i) the Help Desk, as defined below herein; and (ii) CSRs. The primary responsibility of the Help Desk will be to receive calls from users regarding hardware, communication software, and apparent malfunctions or failures of hardware or software. The primary end user support responsibility of the CSR is to receive requests regarding operations and functions of software. It is understood that each resource may receive and act on requests that are primarily the responsibility of the other.

(Revised Under Amendment Number Six of the Agreement)

Site Operating System Software) of Exhibit B (Schedule of Payments).

3.6 Programming and Professional Services:

3.6.1 Programming and Professional Services Hours:

CONTRACTOR shall provide to COUNTY, at no cost to COUNTY, seven thousand eight hundred forty (7,840) hours of programming and professional services for enhancements, modifications, and/or developments (including, without limitation, requests for non-routine data extracts, report revisions, special tape productions, program modifications, interfaces, migration planning and assistance, etc.) related to any services (including, without limitation, Processing Center Application Software installation and training), software and hardware provided under this Agreement, as requested in writing by COUNTY. Each use of any such hours will be requested and approved in writing by COUNTY's Project Director, and will be scheduled at least thirty (30) days in advance. Any additional hours of programming and professional services requested, and approved in writing, by COUNTY's Project Director will be billable to COUNTY as set forth in Section 11 (Programming and Professional Services) of Exhibit B (Schedule of Payments).

COUNTY hereby requests, and CONTRACTOR hereby agrees to perform during the first year after the effective date of Amendment Number Three, the following programming and professional services as part of the seven thousand eight hundred forty (7,840) hours of programming and professional services, provided that CONTRACTOR shall not charge COUNTY for more than the maximum number of programming and professional services hours shown, even if CONTRACTOR expends more hours than shown:

- Upgrade to Express Accounts Receivable (Express V) and Statistical Data Base (Express V) (in a fixed amount of 1,740 programming and professional services hours as set forth in Schedule 8 (Express Accounts Receivable (Express V) and Statistical Data Base (Express V) Upgrade To Express V Project Scope) of this Exhibit A (Statement of Work))

(Revised Under Amendment Number Six of the Agreement)

· Expansion of guarantor phone number field to include area code, in all applicable Processing Center Application Software (a/k/a Host 2000) where such field exists (in a fixed amount of 900 programming and professional services hours).

CONTRACTOR shall not apply any of these programming and professional services hours to any programming and professional services which may be required for CONTRACTOR to modify the System, pursuant to Paragraph 22 (Compliance with Applicable Law) of the body of this Agreement, for compliance with any Federal or State law, rule, regulation, judicial decision, guideline, directive, rulemaking or other requirement applicable to COUNTY's provision of health services, including, but not limited to:

- (i) the Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); and
- (ii) the Federal Medicare Ambulatory Payment Classification ("APC") system.

The preceding sentence shall only apply to the Host 2000 System and any services provided for such Host 2000 System hereunder. Notwithstanding that COUNTY has requested the above specific programming and professional services, CONTRACTOR and COUNTY shall follow the process set forth in Subsection 3.6.2 (Programming and Professional Services Request Procedure) with respect to such requests.

3.6.2 Programming and Professional Services Request Procedure:

Each programming and professional services request must be approved, in writing, by COUNTY's Project Director and submitted to CONTRACTOR's Project Manager.

Within fifteen (15) days of receipt of a programming and professional services

(Revised Under Amendment Number Six of the Agreement)

EXHIBIT A

PART IV

OPTION TO PURCHASE AND INSTALL ADDITIONAL OPTIONAL SITE HARDWARE AND ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE

NOTE: All capitalized terms used herein have the meanings set forth in the Agreement, unless they are specifically defined in this SOW.

1. OBJECTIVE:

The objective of the activities and deliveries set forth in this Part IV of the SOW is to enable COUNTY to add certain hardware to be used on the System at certain Sites, if COUNTY chooses to do so, by: detailing the computer hardware, Site Operating System Software and third party software, required for such addition; permitting, but not requiring, COUNTY to obtain such computer hardware and/or third party software from CONTRACTOR; providing for the installation of such hardware; permitting, but not requiring, COUNTY to obtain the necessary Site Operating System Software from CONTRACTOR in the event of such addition and providing for the installation thereof; assuring that such addition is properly connected to the System; and identifying the tasks of COUNTY and CONTRACTOR required to accomplish the foregoing.

2. ADDITIONAL OPTIONAL SITE HARDWARE:

- 2.1 COUNTY, at its option, may add additional Optional Site Hardware at certain Sites for a computer network communications server microcomputer in a configuration that meets CONTRACTOR's specifications ("Commserver"), which is CONTRACTOR's recommended PC-based hardware platform. Following is a minimum configuration of such Commserver:

Commserver (07/01/2000 through 03/19/2002):

486 DX 33, 4 MG, 245 HD, 1 VRAM, 14" SVGA
SDLC Adapter Board
Cable - SDLC to Modem
10 Base T Ethernet Card

Commserver (03/20/2002 through 06/30/2008):

There is no minimum configuration of Commserver.

(Revised Under Amendment Number Six of the Agreement)

Workstation (07/01/2000 through 06/30/2008):

Any PC that is 386 compatible or greater
10 Base T Ethernet Card for each PC Workstation

For each Site, COUNTY will have the option to purchase the Commserver and associated equipment from CONTRACTOR at or below the prices set forth in Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of Exhibit B (Schedule of Payments), and under the terms and conditions therein, or to purchase the necessary Commserver components from another vendor. If COUNTY chooses to purchase the Commserver from another vendor, the Commserver will meet, at a minimum, the above specification.

- 2.2 COUNTY, at its option, may add additional Optional Site Hardware at certain Sites for a Transmission Control Protocol/Internet Protocol (TCP/IP) network communications that meets CONTRACTOR's specification ("TCP/IP Network"), which is CONTRACTOR's recommended TCP/IP network hardware. Following is a minimum configuration of such TCP/IP Network:

TCP/IP Network:

Baystack Router
 ARN Ethernet Base Unit (32M DRAM)
 ARN Tri Serial Expansion Module
 - ARN V.34 Modem Console Module
 Remote Office Suite
 15 Foot 44-pin to Male V.35

Channel Service Unit (CSU)
 ADTRAN TSU IQ (Frame Relay Aware)
 ISDN DBU card - BRI
 Ethernet Card

For each Site, COUNTY will have the option to purchase the TCP/IP Network hardware.

(Revised Under Amendment Number Six of the Agreement)

AMENDMENT NUMBER SIX TO
COUNTY AGREEMENT NUMBER H204378

ATTACHMENT 2

Schedule 1 (System Software Modules) of
Exhibit A (Statement of Work)
(Replacement Page A1-2
under Amendment Number Six of Agreement)

	<u>DESCRIPTION</u>	PROCESSING CENTER APPLICATION SOFTWARE (a/k/a HOST 2000) <u>ONE-TIME FEE</u>
	Master Plans (Express)	\$0.00
	Electronic Remittance	\$0.00
13.	Collector Accounts Collectors Data Mailer	\$0.00
14.	Account Management (Express)	\$0.00
15.	DSM DSM Custom Reporting	\$0.00
16.	Case Mix Case Mix Reporting (Express)	\$0.00
17.	Financial Reporting	\$0.00
18.	Statistical Reporting	\$0.00
19.	Statistical Accumulation	\$0.00
20.	Medreps Abstract License Medreps DRG License Medreps MPI License Chart Management License ADHOC Report Writer - Encoder License Ambulatory Care Abstracting	\$0.00
21.	Budgetary Planning	\$0.00
22.	Registration Control Registration Control Management Reports Registration Control Retention of Detail DRG Calculation	\$0.00
23.	Executive View	\$0.00
24.	Any update or replacement of the foregoing provided by CONTRACTOR	\$0.00
	TOTAL PROCESSING CENTER APPLICATION SOFTWARE (a/k/a HOST 2000) ONE-TIME FEE	\$3,500,000.00

III. SITE OPERATING SYSTEM SOFTWARE:

1. CONTRACTOR's Administrator III / Hostlink.
2. Windows 2000 or XP, and other third party software.
3. JAVA Runtime Environment (JRE)
4. Any update and, except for Windows 2000 or XP and other third party software, any replacement of the foregoing provided by CONTRACTOR.

(Revised Under Amendment Number Six of Agreement)

AMENDMENT NUMBER SIX TO
COUNTY AGREEMENT NUMBER H204378
ATTACHMENT 3

Schedule 4 (Site Hardware) of
Exhibit A (Statement of Work)
(Replacement Pages A4-1 and A4-2
under Amendment Number Six of Agreement)

EXHIBIT A

**SCHEDULE 4
SITE HARDWARE**

<u>Item No.</u>	<u>Equipment</u>	<u>Quantity (07/01/00 through 03/19/02)</u>	<u>Quantity (03/20/02 through 06/30/08)</u>
HARBOR/UCLA MEDICAL CENTER:			
1.	PC Commserver	1	n/a
2.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
3.	PC Connects	40	40
4.	Fujitsu 600 LPM Printer	1	1
5.	Digital Line 56KB	(dedicated)	n/a
6.	Overland Tape Driver	1	n/a
7.	3270 Express Gateway	1	n/a
OLIVE VIEW/UCLA MEDICAL CENTER:			
8.	PC Commserver	1	n/a
9.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
10.	PC Connects	19	19
11.	Fujitsu 600 LPM Printer	1	1
12.	Digital Line 56KB	(dedicated)	n/a
13.	Overland Tape Driver	1	n/a
14.	3270 Express Gateway	1	n/a
LAC+USC MEDICAL CENTER:			
15.	PC Commserver	2	n/a
16.	3610 Paradyne Data Sharing Unit (DSU)	2	n/a
17.	Fujitsu 600 LPM Printer	1	1
18.	Fujitsu 1200 LPM	1	1
19.	Digital Line 56KB	(dedicated)	n/a
20.	3270 Express Gateway	1	n/a
MARTIN LUTHER KING JR./DREW MEDICAL CENTER:			
21.	PC Commserver	2	n/a
22.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
23.	Fujitsu Band Printer	1	n/a
24.	Digital Line 56KB (shared)	(dedicate)	n/a
25.	3270 Express Gateway	1	n/a
26.	Fujitsu 600 LPM Printer	n/a	1
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER (RANCHO LOS AMIGOS MEDICAL CENTER):			
27.	PC Commserver	1	n/a
28.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
29.	PC Connects	3	3
30.	Fujitsu 600 LPM Printer	1	1
31.	Digital Line 56KB	(shared)	n/a
32.	3270 Express Gateway	1	n/a

(Revised Under Amendment Number Six of Agreement)

<u>Item No.</u>	<u>Equipment</u>	<u>Quantity (07/01/00 through 03/19/02)</u>	<u>Quantity (03/20/02 through 06/30/08)</u>
HIGH DESERT HOSPITAL:			
33.	PC Commserver	1	n/a
34.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
35.	PC Connects	20	20
36.	Fujitsu 600 LPM Printer	1	1
37.	Digital Line 56KB	(shared)	n/a
38.	3270 Express Gateway	1	n/a
DHS CONSOLIDATED BUSINESS OFFICE:			
39.	PC Commserver	1	n/a
40.	3610 Paradyne Data Sharing Unit (DSU)	2	n/a
41.	PC Connects	60	60
42.	Fujitsu 600 LPM Printer	1	1
43.	Digital Line 56KB	(shared)	n/a
DHS HEALTH SERVICES ADMINISTRATION:			
44.	PC Commserver	1	n/a
45.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
46.	Digital Line 56KB	(shared)	n/a
47.	PC Connects	1	1
48.	768k/128k Circuit	n/a	1
49.	TI DSU (TSU)	n/a	1
50.	Nortel ARN Router	n/a	1
TREASURER TAX COLLECTOR:			
51.	Personal Computer	1	n/a
52.	4800 Analog Circuit	1	n/a
53.	4800 Analog Modem	1	n/a

(Revised Under Amendment Number Six of Agreement)

AMENDMENT NUMBER SIX TO
COUNTY AGREEMENT NUMBER H204378

ATTACHMENT 4

Exhibit B (Schedule of Payments)
(Replaced by revised Exhibit B (Schedule of Payments)
under Amendment Number Six of Agreement)

EXHIBIT B

SCHEDULE OF PAYMENTS

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(Revised Under Amendment Number Six of Agreement)

EXHIBIT B

SCHEDULE OF PAYMENTS

INTRODUCTION:

This revised Exhibit B sets forth the amounts to be invoiced by, and paid to, CONTRACTOR on a monthly basis (unless otherwise indicated) for CONTRACTOR's performance under this Agreement during the extension of the Agreement term under Amendment Number Three and this Amendment Number Six. This Exhibit B includes: (1) a Processing Center Application Software (a/k/a Host 2000) One-Time Fee as set forth in Schedule 1 (System Software Modules), Section 2 (Processing Center Application Software) of Exhibit A (Statement of Work) for all Sites, (2) a Processing Services Monthly Fixed Fee for the System processing services set forth in Section 2 (Processing Fees) of this Exhibit B for all Sites, and (3) fees, based on the rates by units of service, for other services provided under this Agreement. CONTRACTOR's invoices shall be payable by COUNTY within thirty (30) days from COUNTY's receipt of a correct invoice.

Processing Center Application Software (a/k/a Host 2000) One-Time Fee:

The Processing Center Application Software (a/k/a Host 2000) One-Time Fee over the five (5) year extension of the Agreement term under Amendment Number Three is Three Million Five Hundred Thousand Dollars (\$3,500,000.00). The Processing Center Application Software (a/k/a Host 2000) One-Time Fee over the three (3) year extension of the Agreement term under this Amendment Number Six is Zero Dollars (\$0.00). This amount will be due and payable commencing upon the effective date of Amendment Number Three as follows: (i) one (1) payment due and payable upon the effective date of Amendment Number Three in the amount of Eight Hundred Seventy-Five Thousand Dollars and Zero Cents (\$875,000.00), (ii) one (1) payment due and payable six (6) months after the effective date of Amendment Number Three in the amount of Two Million One Hundred Twenty-Five Thousand Dollars and Zero Cents (\$2,125,000), and (iii) one (1) payment due and payable on the thirteenth (13th) month after the effective date of Amendment Number Three in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00). In addition, CONTRACTOR and COUNTY understand and agree that the Processing Center Application Software (a/k/a Host 2000) One-Time Fee is for the perpetual use by or for COUNTY of all Processing Center Application Software (a/k/a Host 2000), and accordingly, COUNTY will not have to pay any further amount for such use, under this Agreement, any extension of the term of this Agreement (including, without limitation, the extension of the term of this Agreement under this Amendment Number Six), or any replacement agreement for this Agreement.

Processing Services Monthly Fixed Fee:

The Processing Services Monthly Fixed Fee is for COUNTY's utilization of all Processing Center Application Software (a/k/a Host 2000) set forth in Section II (Processing Center Application Software) of Schedule I (System Software Modules) of Exhibit A (Statement of Work).

This Exhibit B changes the processing fees from a transaction volume fee basis to a monthly fee (Processing Services Monthly Fixed Fee) basis. This Processing Services Monthly Fixed Fee covers an aggregate maximum of 650 devices (i.e., printers and personal computers) attached to the System at all Sites. For the Processing Services Monthly Fixed Fee, CONTRACTOR's related invoices (1) shall be due on the first of each month after the effective date of Amendment Number Three, and (2) shall be payable by COUNTY within thirty (30) days from COUNTY's receipt of a correct invoice. The maximum number of monthly invoices for the Processing Services Monthly Fixed Fee over the extended term of this Agreement under Amendment Number Three and this Amendment Number Six shall not exceed ninety-six (96) monthly invoices. The Processing Services Monthly Fixed Fee shall be as follows:

(Revised Under Amendment Number Six of Agreement)

- (1) For the first (1st) month through forty-eighth (48th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Thirty-One Thousand Seven Hundred Fifty Dollars (\$131,750), unless reduced under subparagraph (4) following.
- (2) For the forty-ninth (49th) month through sixtieth (60th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Eighteen Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$118,333.33), unless reduced under subparagraph (4) following.
- (3) For the sixty-first (61st) month through ninety-sixth (96th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Fifty-Four Thousand Four Hundred Twelve Dollars (\$154,412), unless reduced under subparagraph (4) following.
- (4) Should COUNTY terminate the production use of certain Processing Center Application Software modules pursuant to Paragraph 49.1 (Termination of E/GL/E/AP), the Processing Services Monthly Fixed Fee set forth in this Exhibit B shall be reduced by the amount of Five Thousand Nine Hundred Sixteen Dollars and Sixty-Seven Cents (\$5,916.67). Such reduction shall become effective on the later of: (i) the start of the twenty-fifth (25th) month after the effective date of Amendment Number Three; or (ii) three (3) months after COUNTY gives CONTRACTOR written notice of such termination. Such reduction shall not be retroactive to any month before the month in which the reduction becomes effective.

Other Services Fees

The rates for other services, utilized by COUNTY, shall be invoiced monthly by CONTRACTOR, based on the rates by units of service, as established in Paragraphs 3 (Site Operating System Software) through 15 (CD ROM) of this Exhibit B.

Cost increases for Site Hardware Maintenance (Section 5) and Forms (Section 8) shall be allowed only based on pass-through cost increases.

FISCAL MANAGEMENT SYSTEM CHARGES:

1.1 MAINFRAME OPERATING SYSTEM (OS) SOFTWARE (07/01/00 through 03/19/02):

CONTRACTOR's mainframe OS manages the basic operations of the HFC/FMS system and includes the following software:

OS/390 V2R6

Operating System: allows for access to and addressing of stored data.

RACF

Resource Access Control Facility: provides mainframe access security.

NCP

Network Control Program: controls operations of the communication controllers in the network.

VTAM

Virtual Telecommunication Access Method: handles some of the communications processing tasks for an application program.

	<u>Unit</u>	
	<u>Description</u>	<u>Rate</u>
Mainframe OS software is provided by CONTRACTOR	N/A	\$.000

1.2 MAINFRAME OPERATING SYSTEM (OS) SOFTWARE (03/20/02 through 06/30/08):

CONTRACTOR's mainframe OS manages the basic operations of the Host 2000 and will include the following software:

OS/390 V2R6

Operating System: allows for access to and addressing of stored data.

RACF

Resource Access Control Facility: provides mainframe access security.

NCP

Network Control Program: controls operations of the communication controllers in the network.

VTAM

Virtual Telecommunication Access Method: handles some of the communications processing tasks for an application program.

	<u>Unit</u>	
	<u>Description</u>	<u>Rate</u>
Mainframe OS software is provided by CONTRACTOR	N/A	\$.000

2. PROCESSING FEES:

For the Processing Services Monthly Fixed Fee, COUNTY shall be entitled to utilize all Processing Center Application Software as listed in Section II (Processing Center Application Software) of Schedule I (System Software Modules) of Exhibit A (Statement of Work) at all Sites.

3. SITE OPERATING SYSTEM SOFTWARE:

3.1 Administrator Software:

		<u>Rate</u>	<u>Rate</u>
		<u>(07/01/00</u>	<u>(03/20/02</u>
	<u>Unit</u>	<u>through</u>	<u>through</u>
	<u>Description</u>	<u>03/19/02)</u>	<u>06/30/08)</u>
<u>Administrator III:</u>			
Allows Site to key batch data in preparation for transmission	Site/Month	\$.000	\$.000

3.2 [INTENTIONALLY DELETED]

(Revised Under Amendment Number Six of Agreement)

4. SITE COMMUNICATION SUPPORT:

Charges applied on a monthly basis for support of the communications configuration at each Site

4.1 Commserver Configuration Communication Installation and Support Fees:

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>03/19/02)</u>	<u>Rate</u> <u>(03/20/02</u> <u>through</u> <u>06/30/08)</u>
<u>Line Charge:</u>	<u>Description</u>		
	56 kb line installation	Per Install	\$1,500.00
	56 kb line link to host	Line/Month	\$825.00
	<u>Data Sharing Unit (DSU) Installation and Support:</u>		
	<u>DSU Charge:</u>		
	DSU installation	Per Install	\$600.00
	DSU link for each Site circuit	DSU/Month	\$290.00
	<u>Support Fee:</u>		
	Host 2000 Communication Support	Site/Month Excluding HSA	N/A
			\$1,050.00

4.2 [INTENTIONALLY DELETED]

5. SITE HARDWARE MAINTENANCE:

5.1 Commserver Maintenance – Scheduled Maintenance Service Charge:
See Schedule 1 (Site Hardware Scheduled Maintenance) of this Exhibit B

5.2 [INTENTIONALLY DELETED]

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5.3 Hardware Maintenance - Non-Scheduled Maintenance Service Charge:

Rate Rate

	<u>Unit</u>	<u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>(07/01/05</u> <u>through</u> <u>06/30/08)</u>
ADTRAN, Inc. (minimum four-hour charge) plus travel cost	Hourly	\$250.00	\$250.00
AT&T Corporation (minimum two-hour charge) plus travel cost	Hourly	\$260.00	\$260.00
Genicom Networks Inc. (minimum two-hour charge) plus travel cost	Hourly	\$175.00	\$175.00
Lucent Technologies Inc. (minimum two-hour charge) plus travel cost	Hourly	\$260.00	\$260.00
Nortel Networks Corporation (minimum four-hour charge) plus travel cost	Hourly	\$200.00	\$200.00
Paradyne Corporation (minimum two-hour charge) plus travel cost.	Hourly	\$260.00	\$260.00

6. [INTENTIONALLY DELETED]

7. ADDITIONAL OPTIONAL SITE HARDWARE AND ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE:

See Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of this Exhibit B. This section shall apply only to items procured pursuant to Paragraph 7 (Change Notices and Amendments) of the body of this Agreement and Part IV (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of Exhibit A (Statement of Work).

8. FORMS:

- 8.1 The cost of the following printed forms are not included in the processing charges. Sites will be charged for those forms based upon: (a) the quantity used for printing output either at the Processing Center or at CONTRACTOR's local distribution center, or (b) the quantity of forms shipped to the Sites or in-facility printing output.

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>06/30/08)</u>
Four-part patient detail ledger form (AR10 statement)	Form	\$0.102	\$0.0497
Three-part patient detail ledger form (AR10 statement)	Form	\$0.079	\$0.079
Two-part patient detail ledger form (AR10 statement)	Form	\$0.052	\$0.056
One-part patient detail ledger form (custom designed within parameters of CONTRACTOR's specifications)	Form	\$0.035	\$0.046
Discharged Accounts Receivable data mailer	Form	\$0.141	\$0.129

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Charges for all of the above forms are based upon actual quantities of forms used by COUNTY.

CONTRACTOR reserves the right to increase the cost of forms to reflect price changes imposed by its form suppliers for feature changes and/or general price increases, provided that such increase shall have no effect whatsoever on the Contract Sum.

COUNTY will reimburse CONTRACTOR for actual postage charges for mailing data mailers directly to account guarantors from the Processing Center.

- 8.2. The acquisition of and payment for all input preparation forms and other terminal forms and supplies are the responsibility of COUNTY. Stock input preparation and stock terminal forms can be acquired through CONTRACTOR if COUNTY elects to benefit from volume purchase prices.

9. ADDITIONAL FILES:

Upon request by COUNTY, CONTRACTOR will execute extracts of data for COUNTY in a flat file ASCII format. Tape/cartridge extracts can be sent weekly, monthly or on demand. COUNTY will pay all associated shipping charges. Tape/cartridge data extracts available to COUNTY are as follows:

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>06/30/08)</u>
<u>Description</u>			
Express Accounts Receivable (EA/R) and Accounts Receivable (A/R)	N/A	\$0.00	\$0.00
•AR Master			
•Activity Index			
•Pricing Index			
Express General Ledger	N/A	\$0.00	\$0.00
Express Accounts Payable	N/A	\$0.00	\$0.00
Statistical Data Base	N/A	\$0.00	\$0.00
Dataset Request	Run/Site	\$121.00	\$139.74

10. [INTENTIONALLY DELETED]

11. PROGRAMMING AND PROFESSIONAL SERVICES:

For all programming and professional services in excess of programming and professional services to be provided to COUNTY at no cost pursuant to Section 3.6 (Programming and Professional Services) of Part I (Ongoing Fiscal Management System Services) of Exhibit A (Statement of Work), CONTRACTOR will provide such excess programming and professional services at the following applicable rate:

(Revised Under Amendment Number Six of Agreement)

Rate
(07/01/00 through 06/30/05)
 One Hundred Twenty Five Dollars
 (\$125.00) per programming and
 professional services hour

Rate
(07/01/05 through 06/30/08)
 One Hundred Thirty Five Dollars
 (\$135.00) per programming and
 professional services hour

Out-of-pocket expenses incurred in connection with such services will be reimbursed by COUNTY in accordance with Section 12 (Out-of-Pocket Expenses) below.

12. OUT-OF-POCKET EXPENSES:

COUNTY shall reimburse CONTRACTOR for its actual out-of-pocket expenses which shall mean CONTRACTOR's reasonable and necessary expenditures for CONTRACTOR's staff transportation, meals, and lodging, but not to exceed the limits set forth in the then current Chapter 5.40 (Travel and Other Expenses) of the Los Angeles County Code. All out-of-pocket expenses shall be approved in advance, in writing, by COUNTY's Project Director.

12.1 Reimbursable expenses shall include only travel expenses for CONTRACTOR personnel stationed outside the counties of Los Angeles, San Bernardino, Orange, Riverside, Imperial, Kern, Ventura, and Santa Barbara, and will be reimbursed based on the following schedules:

- (1) Transportation -Transportation costs will be reimbursed based on submitted receipts.
- (2) Lodging -If a receipt is submitted, a single occupancy hotel accommodation will be reimbursed up to a maximum as follows:

Rate
(07/01/00 through 06/30/05)
 \$150.00 plus all taxes. If no receipt
 is submitted, reimbursement is
 limited to \$20.00

Rate
(07/01/05 through 06/30/08)
 \$165.50 plus all taxes. If no receipt
 is submitted, reimbursement is
 limited to \$20.00

- (3) Meals -No receipts needed. Meals will be reimbursed as follows:

Rate
(07/01/00 through 06/30/05)
 Breakfast - \$9.00
 Lunch - \$11.50
 Dinner - \$29.25
 or not to exceed \$49.75 per day when
 three meals are purchased on any one
 day.

Rate
(07/01/05 through 06/30/08)
 Breakfast - \$10.00
 Lunch - \$12.75
 Dinner - \$32.25
 or not to exceed \$55.00 per day
 when three meals are purchased on
 any one day.

- (4) Porterage -\$1.00 per day.

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- (5) Parking -Maximum daily amount allowed for airport parking (receipt required) is as follows:

<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 06/30/08)</u>
Burbank Economy Lot - \$8.00	Burbank Lots A, B & C - \$5.00
John Wayne Auxiliary Lot - \$7.00	John Wayne Main Street Parking Lot - \$12.00
Los Angeles LAX Lot C - \$7.00	Los Angeles Lot B - \$8.00
Long Beach - \$12.60	Long Beach Lot D - \$6.00
Ontario - \$10.00	Ontario Lot F - \$6.00

12.2 Non-reimbursable expenses shall include, but not be limited to:

- (1) Staff time or overtime for performing secretarial, clerical or word processing functions.
- (2) Charges for time spent to provide necessary information for COUNTY audits or billing inquiries.
- (3) Charges for work performed which had not been authorized by COUNTY.

12.3 CONTRACTOR shall extend its best efforts to get the most commercially reasonable fares and rates possible consistent with the need to be responsive to COUNTY's service requirements.

12.4 Reimbursement for out-of-pocket expenses under this Section 12 will cover out-of-pocket expenses incurred by all members of CONTRACTOR's staff, including, without limitation, out-of-pocket expenses incurred in connection with COUNTY- requested on-site visits by CONTRACTOR's Project Manager.

13. [INTENTIONALLY DELETED]

14. SOFTWARE INSTALLATION COSTS:

CONTRACTOR will provide software installation services at a rate not to exceed the following:

<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 06/30/08)</u>
One Hundred Twenty Five Dollars (\$125.00) per person hour	One Hundred Thirty Five Dollars (\$135.00) per person hour

Out-of-pocket expenses incurred in connection with such services will be reimbursed by COUNTY in accordance with Section 12 (Out-Of-Pocket Expenses) of this Exhibit B.

(Revised Under Amendment Number Six of Agreement)

15. CD ROM

CONTRACTOR will provide COUNTY two (2) copies of all profiled reports on CD ROM at the price listed below. Upon COUNTY's request, CONTRACTOR will provide additional copies of the profiled reports as follows:

<u>Unit Description</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>06/30/08)</u>
Standard output (two CD ROMs) per report, per Site	\$600.00	\$600.00
Per extra copy, per Site on CD ROM	\$ 25.00	\$ 25.00
Per extra copy, per page, per Site on paper	\$.085	\$.085

(Added Under Amendment Number Six of Agreement)

EXHIBIT B**SCHEDULE 1****SITE EQUIPMENT SCHEDULED MAINTENANCE**

LAC+USC MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Printer Maintenance	CPG Hardware Maintenance Fujitsu 1200 LPM	\$198.00	\$198.00	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu 600 LPM	\$198.00	\$198.00	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver (Connect to Host)	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

MLK/DMC & AFH	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Band Printer	\$198.00	\$198.00	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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H/UCLA MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer Main	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$1,160.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

OV/UCLA MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer Main	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$551.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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RLAMC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$87.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

HDH	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$580.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

DHS/CBO	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$29.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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DHS/HSA	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$206.25	n/a	R
	Digital Line (768KB)	CPG Hardware Maintenance Dedicated Digital Line	n/a	\$2,042.16	9
	Digital Line (128KB)	Dial Back-up	n/a	\$75.00	9

* CPG refers to CONTRACTOR's Charlotte Product Group, an organizational unit of CONTRACTOR.

MAINTENANCE CODE INFORMATION:

M2 Maintenance: On-site 8x5 as available response
R Monthly recurring rental
9 Maintenance 7x24 starts on installation

Maintenance fees for additional Optional Site Hardware and additional Optional Site Operating System Software are listed in Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of this Exhibit B for all items as to which CONTRACTOR is responsible for maintenance under this SOW.

(Revised Under Amendment Number Six of Agreement)

EXHIBIT B

SCHEDULE 2

ADDITIONAL OPTIONAL SITE HARDWARE AND ADDITIONAL OPTIONAL
SITE OPERATING SYSTEM SOFTWARE

ITEM NO	VENDOR	ITEM	DESCRIPTION	UNIT PRICE	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 06/30/05)	INSTALL FEE	WARR/ MAINT
ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE								
1	HBOC	ADMIN II/III SOFTWARE**	ADMIN III SOFTWARE**	\$0.00	\$232.00	n/a	\$100.00***	R
2	HBOC	COMMSERVER PC ANALOG**	PC CONNECT TO COMMSERVER	\$0.00	\$ 29.00	n/a	\$100.00***	R
3	HBOC	NEW COMMSERVER ANALOG**	ANALOG COMMSERVER FEE	\$ 0.00	\$406.00	n/a	\$100.00***	R
4	IBM	SNA - LICENSE	SNA SITE LICENSE	\$1,451.00	\$ 0.00	n/a	\$0.00	OT
5	NOVELL	NOVELL NV-406	5 USER 3.12 NOVELL SOFTWARE	\$1,095.00	\$ 0.00	n/a	\$100.00***	I
ADDITIONAL OPTIONAL SITE HARDWARE								
6	DEC	DEC 4000-1	486SX33 PC, 4MB, 270HD, 14" SVGA	\$1,378.00	\$ 32.00	n/a	\$206.00	2.7
7	IBM	IBM7367099	SDLC ADAPTER BOARD	\$258.00	\$2.00	n/a	\$206.00	3.8
8	PARADYNE	PARA 11EDC25/MF50	CABLE, SDLC TO MODEM 50 FT	\$65.00	\$ 0.00	n/a	\$0.00	4.0
9	3COM	SMC SMC-E16T	10 B T BIT ETHERNET BOARD	\$195.00	\$6.00	n/a	\$125.00	4.8
10	NORTEL	ROUTER	BAYSTACK ROUTER, ARN ETHERNET BASE UNIT (32M DRAM)	\$4,703.00	\$65.00	n/a	\$125.00***	4.9
11	ADTRAN	CHANNEL SERVICE UNIT (CSU)	CHANNEL SERVICE UNIT, ADTRAN TSU IQ (Frame Relay Aware)	\$2,240.00	\$46.00	n/a	\$125.00***	4.9

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NOTES

- * Fee listed is per unit charge.
- ** Item number 1 must be purchased through CONTRACTOR. All other items may be acquired by COUNTY from other sources.
- *** Fee is an hourly rate, not to be exceeded.

WARRANTY CODES:

- 1 1 year software conformance
- 2 1 year on site; 2 year return to factory
- 3 90 day return to factory
- 4 30 day DOA warranty
- 5 1 year return to factory
- 6 2 year return to factory

MAINTENANCE CODES:

- 0 No maintenance
- 7 8/5 on-site same day
- 8 Maintenance 8x5 starts after warranty
- 9 Maintenance 24x7 starts after warranty, parts only
- 10 Unit exchange starts on install
- 11 Maintenance 8x5 on-site same day until warranty terminates;
COUNTY maintains thereafter

OTHER CODES:

- R Monthly recurring rental
- OT One-time Charge

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